

NIPSCO Choice

A fact sheet from the Indiana Office of Utility Consumer Counselor

5 things to know

1. Before signing any contract, carefully review its terms and conditions (including pricing, contract length and early termination penalties).
2. Enrolling in Choice may or may not save you money.
3. Even with an alternative gas supplier, NIPSCO still provides (and charges for) transportation and distribution.
4. All alternative suppliers accepting new customers are listed on NIPSCO's Web site (<http://www.nipsco.nisource.com>).
5. Choice enrollment is voluntary and offered year-round.

What is the Choice program?

The natural gas Choice program allows a Northern Indiana Public Service Company (NIPSCO) natural gas customer to choose an alternative natural gas supplier. If you enroll in this voluntary program, the supplier you choose will buy gas for you - which NIPSCO will then transport to Northern Indiana and deliver to you through its distribution system.

The Choice program: Why?

The Choice program was proposed by NIPSCO in late 1995 as a response to increased competition in the natural gas wholesale market and consumer desire for choices, and to allow the utility to take a lead role in the transition of Indiana's retail gas market to competition. A 1997 Indiana Utility Regulatory Commission (IURC) order authorized the program following a legal proceeding that included the Indiana Office of Utility Consumer Counselor (OUCC) and other parties. A settlement agreement which received IURC approval in January 2006 will extend the program's life into 2010.

How does it work?

NIPSCO Choice is not designed as a savings program, but consumers who enroll could save money. Every gas supplier has a different combination of contracts with competing gas producers and interstate pipelines. As a result, some suppliers may be able to buy natural gas at a lower cost than others, including NIPSCO.

There is, however, no guarantee of lower bills. Consumers should shop carefully and fully understand the terms and conditions of any contract before signing.

If you participate in the NIPSCO Choice program, the terms of your gas supply service (including the price you are charged and length of the agreement) will be dictated by a contract between you and the alternative supplier rather than regulated utility rates. NIPSCO will still charge you for transportation and distribution.

NIPSCO remains responsible for maintaining and servicing the distribution system, including the existing service line into your home or business. Natural gas will still be delivered to you through that line regardless of the supplier you choose. Before a gas supplier is allowed to participate in Choice, it is required to meet strict financial and operational qualifications. In the unlikely event that a supplier fails to deliver enough gas, NIPSCO is required to provide gas to you.

Unbundling your natural gas rates

Natural gas service consists of three parts: supply, transportation and distribution.

- Natural gas producers drill wells that pull natural gas from beneath the earth's surface. This is called the supply.
- Gas supply is then transported through interstate pipelines to a local gas utility's distribution system.
- Your gas utility takes natural gas from the interstate pipeline system and distributes it to you.

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Will I receive more than one bill each month?

You may. NIPSCO will continue to service and maintain the distribution lines that serve your home and will continue to read your meter. You will continue to receive a bill from NIPSCO for those services. Suppliers have the option of using the NIPSCO bill or sending you a separate bill.

May I switch gas suppliers?

You may switch gas suppliers or return to NIPSCO supply service, subject to the terms of your contract with your alternative gas supplier. After your initial gas supplier selection, you will be charged an administrative fee. If you later decide to return to NIPSCO gas supply service, this charge will be waived (though you must stay with NIPSCO supply service for at least one year after switching back).

How do I enroll?

You can enroll by contacting any qualified supplier. For a list of eligible suppliers and their toll-free telephone numbers, contact NIPSCO toll-free at 1-800-464-7726 or visit www.nipsco.nisource.com.

You will need your account and service numbers from your bill to enroll with a new supplier (so that the company you choose can confirm with NIPSCO that you have signed up).

Suppliers can sign you up by phone, e-mail, fax or in person. Regardless of how you are enrolled, the supplier must give you the following information: contract price; billing and payment terms; re-enrollment terms; and contract start and end dates.

If you sign up with a supplier via phone or e-mail, the supplier must mail you this information within five business days of your enrollment. You then have five business days (from the receipt of the information) to review the information. If within that time you determine that the information is incorrect or different than what you had originally agreed to, contact the supplier and cancel the contract. Remember that you only have five business days from the receipt of the information to contact the supplier and cancel the contract. The supplier will provide you with either a toll-free telephone number or a postage-paid postcard to cancel the contract.

If you sign up with a supplier in person or via fax, you will be signing a contract with all of the terms of the agreement. In this case the supplier is not obligated to give you the five business days to review and cancel the contract. You are bound by the contract you sign. Be sure to review all of the information carefully before you sign it.

Who should I call in an emergency or if I have service questions?

If you choose a supplier other than NIPSCO, questions about the pricing of your natural gas supply or about your contract should be directed to the gas supplier you chose. All other questions should be directed to NIPSCO, which can be reached toll-free at 1-800-464-7726.

The Indiana Office of Utility Consumer Counselor (OUCC) is the state agency representing the interests of utility consumers and the general public in matters related to the provision of utility services. The OUCC is active in proceedings before regulatory and legal bodies and is committed to giving consumers a voice in the creation of utility service policy.

OpenLines publications are produced by the OUCC to educate consumers on their rights and responsibilities regarding utility services. All OpenLines publications, including a comprehensive telecommunications consumer handbook and fact sheets on various utility topics, are available at no cost on the OUCC Web site or by calling the OUCC Consumer Services Staff.



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